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A relational perspective on the contract-control-trust nexus in an interfirm relationship

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A R T I C L E I N F O

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A B S T R A C T

This paper makes sense of the contract-control-trust nexus in interfirm relationships by exposing the performativity of a contract and its incorporated control structures in generating trust. In our study of an outsourcing relationship between Semorg (an international manufacturer of semi-conductors) and Fasorg (the provider of facility management services), we find that trust is interactively related to control in complex and often unpredictable ways rather than in linear ways that result from managerial decision-making. In the network of associations that constitutes the interfirm relationship, trust is not a stable solution that generates predictability, but a quasi-actor that is made to act by the contract and the incorporated control structures. As a quasi-actor, trust is fluent and performative. Once in existence, it mobilises human actors and shapes the relationship. Thus, from a relational perspective trust is a possible and to a large extent unpredictable network effect. This differs from the rational perspective in which trust is an expectation that (in multiple categories) straightforwardly emerges and develops from managerial decisions.

1. Introduction

> *A contract is merely a stack of legal papers. I learnt this when I was doing business in Asia. One of my Chinese partners said to me: "The more paper work we have, the less trust we have and the less it works." – CEO Semorg*

Control and trust have a complex relationship and further research into this relationship is needed to enhance our understanding, particularly in the context of interfirm relationships (Van der Meer-Kooistra and Vosselman, 2006). Since most interfirm relationships are based on contracts, particularly the contract-control-trust nexus needs further examination (Meira et al., 2010; Tsamenyi et al., 2013). This study examines this nexus, thus contributing to the literature that investigates the governance of interfirm relationships and its relation with trust (e.g. Dekker, 2004; Emsley and Kidon, 2007; Free, 2008, 2007; Langfield-Smith and Smith, 2003; Lui and Ngo, 2004; Mahama and Chua, 2016; Tomkins, 2001; Van der Meer-Kooistra and Vosselman, 2000; Vosselman and Van der Meer-Kooistra, 2009).

Much of the literature on control and trust takes a rational perspective in which control and trust are considered to be stable solutions to control problems. Lui and Ngo (2004, p.474) argue that "contractual safeguards and trust are important control mechanisms that reduce risk and facilitate cooperation in a partnership. These two mechanisms may interact with each other in determining the outcomes of cooperation.Ṫrust is increasingly being viewed as a precondition for improved performance and competitive success in complex business environments (Free, 2008). From a rational perspective, trust can be conceptualised as a social control that reduces the need for formal controls (Dekker, 2004). It is also defined as a control pattern distinct from bureaucracy-based or market-based control patterns (Van der Meer-Kooistra and Vosselman, 2000). Furthermore, from a rational perspective on the accounting-control-trust nexus in the governance of interfirm relationships a distinction is made between thin and thick trust (Klein Woolthuis et al., 2005; Nooteboom, 2002, 1996; Vosselman and Van der Meer-Kooistra, 2009). Thin trust is produced by the contracts and their incorporated formal control structures, which may, for example, take the form of budgets, scorecards or incentive

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schemes. Thick trust is produced in the course of the relationship through the relational signals ensuing from local rational decisions.

A limitation of the rational perspective is that it ignores that in reality the shape and change of both control and trust are often the 'interactive effects of complex, unpredictable, non-linear and less controllable associations of multiple entities' (Chua and Mahama, 2012, p. 79). A related problem is that the rational perspective is merely based on assumptions from mainstream economic management control literature, which tends to reduce organisational members to self-interested 'agents' (Van der Kolk et al., 2015). Therefore, this paper's objective is to go beyond rationalism by taking a relational perspective. From this perspective, contracts, control structures and trust are interactively shaped and changed through the associations between actors, both human and non-human. They are not merely the result of the decisions made by managers who are relatively far removed from the doings in the interfirm relationship. Contracts and their incorporated control structures may thus well exceed the traditional functional properties espoused in the rational perspective. Apart from providing stability and order, they may also produce dynamics and change. That is, contracts and control structures may be performative. The notion of performativity allows us to view the contract, control structures and trust not simply as tools used by rationally acting human beings who straightforwardly instrumentalise the behaviour of other humans in the relationship, but as actors that actively engage the parties involved in the relationship to behave in a certain way. Contracts, control structures and trust circulate in a network of associations and may be performative in the sense that they help to create, maintain and modify the relationship in unexpected ways.[1] They relate to each other through their positions in this network of associations, rather than only through managerial decisions. They are actors rather than instruments, mediators rather than intermediaries (Latour, 2005).

Although extant research (e.g. Zahir-ul-Hassan et al., 2016) discusses the contract and the incorporated control structures as mediating instruments (Miller and O'Leary, 2007) in the construction of a collaborative or transactional relationship, it does not offer an interpretation of the contract-control-trust nexus from a relational perspective. This paper fills this gap. The empirical site is a specific outsourcing relationship between an international industrial organisation (Semorg) and a managing agent for facility services (Fasorg). Semorg is an example of an international manufacturer that outsources its facility management, forced by global competition and the threat of having to move production to low-wage countries. The Semorg-Fasorg case is interesting as it provides an opportunity to not only expose contracts and control structures as being purposefully designed and negotiated by distanced managers, but also to reveal that they are generating entities that can bring about unexpected consequences. In the case study, the original contractual solution as negotiated by top management proved to be problematic; the resulting contract and incorporated control structures induced a recontracting process that eventually changed control and trust in the relationship.

The paper is structured as follows. Section 2 provides the theoretical anchors for the study. Section 3 presents the case setting and research methodology, followed by a presentation of the case study. This presentation is aimed at mapping out how contract and control structures are performative in building trust and how they are constitutive of the relationship. Finally, the discussion and conclusion sections highlight how the case study adds to the management accounting literature.

2. Theoretical anchors

2.1. A relational perspective versus a rational perspective

In essence, this paper exposes how contracts, control structures and trust interactively shape and change an interfirm relationship. The paper therefore takes a relational perspective rather than a rational perspective on interfirm control.[2] Essential to our research perspective is that we do not prioritise the entities, but the *associations* or relations among the entities. Therefore, labelling our research perspective as relational is consistent with Hassard and Cox (2013), who categorise the epistemology in post-structuralists research as relational.

In contrast with the relational perspective, the *rational* perspective mainly focuses on the entities rather than on the associations. From the rational perspective, the entities are up-front. Contracts and their incorporated control structures are considered as subordinate to human beings. They provide order and stability. They result from managerial decision making and as such form the solutions to coordination problems and appropriation concerns (Dekker, 2004; Vosselman and Van der Meer-Kooistra, 2009). In order to provide solutions to coordination problems and to prevent opportunistic behaviour from occurring the contract and the control structures are negotiated and rationally decided upon by managers in search of efficiency. Once designed, the contract and control structures serve as tools to control the relationship from a distance. In contrast, from a *relational* perspective the contract and control structures are shaped and changed in a network of associations between multiple actors, both human and non-human.[3] Although they may be artefacts designed and negotiated upon at a certain distance from the day-to-day activities, they are enacted in a network of associations that make up daily practice. They are not simple solutions that are straightforwardly implemented, but mobilising entities in specific episodes in practice. And in this capacity they can generate unexpected and unpredictable consequences, which makes them constitutive of the relationship. Moreover, they themselves can change.

2.2. The contract-control-trust nexus in interfirm relationships

In the management accounting discipline, the control-trust nexus has been a research topic for several years now. Some contributions are conceptual (Tomkins, 2001; Vosselman and Van der Meer-Kooistra, 2009), some provide a review of previous research (Baldvinsdottir et al., 2011; Caglio and Ditillo, 2008, 2012; Free, 2008; Meira et al., 2010), others concern a study of the governance and control of and in specific relationships (Cäker, 2008; Dekker, 2004; Emsley and Kidon, 2007; Free, 2008; Langfield-Smith and Smith, 2003; Thrane and Hald, 2006; Van der Meer-Kooistra and Scapens, 2008; Van der Meer-Kooistra and Vosselman, 2000;

[1] The accounting literature has provided numerous examples of accounting calculations as generating entities (Ahrens and Chapman, 2007; Boedker and Chua, 2013; Dambrin and Robson, 2011; Ezzamel, 1994; Jordan and Messner, 2012; Mouritsen, 1999; Mouritsen et al., 2009; Qu and Cooper, 2011).

[2] In the literature the rational perspective is sometimes also referred to as (or part of) an ostensive approach (Latour, 2005, 1986). We prefer the term rational as it better aligns with the managerial approach used in accounting and control research. It also aligns with the rational instrumentalism philosophy of rational agents in economic theory (Williamson, 1979).

[3] As we particularly trace the footsteps of the contract and the control structures and expose how these footsteps interact with trust, our approach is similar to Boedker's (2010) performative approach. However, following Feldman and Pentland (2003) and Pentland and Feldman (2008, 2005), we rather prefer to assign the adverb 'performative' to the non-human actors in the field than to the research perspective. Performativity, in our view, is not a characteristic of the research approach, but of non-human actors.

Windolph and Moeller, 2012) and yet others study the governance of and in a network of relations (Chua and Mahama, 2007; Håkansson and Lind, 2004; Mahama and Chua, 2016; Mouritsen and Thrane, 2006; Van Veen-Dirks and Verdaasdonk, 2009).

Rational and relational perspectives on interfirm relationships differ in their conceptualisations of the contract-control-trust nexus. From a rational perspective, the contract and control structures may be either substitutive or complementary to trust. For example, Dekker (2004) and Van der Meer-Kooistra and Vosselman (2000) primarily view trust as a substitute for control, whereas others propose that trust and control may be both supplements and complements (Tomkins, 2001; Vosselman and Van der Meer-Kooistra, 2009). To a certain extent, trust can be considered to be a direct result of the negotiation of a contract (Vosselman and Van der Meer-Kooistra, 2009). Because of a divergence of interests, parties in an interfirm relationship experience legitimate mistrust (Lindenberg, 2000) of each other, with which they cope by negotiating credible contractual commitments. Based on these credible commitments, parties build thin trust which compensates for negative behavioural expectations. Thin trust is thus embedded in the contract that, in turn, is embedded in the institutional trust imported from the legal and social context of the interfirm relationship. However, the authors warn against extensive contracting, which may overshoot the target of 'legitimate mistrust' compensation. Thin trust may lay the ground for a form of self-regulating control that parties deem necessary because of the incompleteness of the contract; there always remains uncertainty. This self-regulating control takes the form of relational signalling and results in thick trust. Similar to thin trust, thick trust also stems from managerial decisions; managers voluntarily decide to give relational signals.

Also from a relational perspective, the contract and incorporated control structures are implicated in the building (or destroying) of trust. Trust may circulate in the network of associations in which the contract and control structures operate. The problem is, however, that trust is not a material object or thing. As a consequence, it cannot be conceptualised as a distinct actor that in concert with other actors shapes and changes interfirm control. How then can it be related to the performativity of a contract and its control structures, and how can it be distinctly performative itself? Mouritsen and Thrane (2006) address the question as to how trust is mobilised in a network of associations. Referring to Brown (2002) they suggest that trust is a *quasi-object.* It is related to an object in the network, but it is not the object itself. It is "the projection of sentiment onto the object, the 'desire' for it or the 'passionate' relation with it, which characterises a quasi-object" (Schiermer, 2011). Trust as such a quasi-object is for example similar to a fetish. A crucifix may be just an object, but it becomes a quasi-object of a fetish once put into circulation as an object in the practising of religion. Quasi-objects leave behind the objective status of the objects they relate to (Serres, 1995). It is the trusting properties assigned to the object by human actors in the network that make the object important, not the inherent qualities of trust itself. Contracts and control structures may be objects that induce trust as a quasi-object. In the following, we will consistently refer to actors rather than to objects.

It is through its interactive effects that trust can become a quasi-actor once it circulates in the network. This is a possible and unpredictable *consequence of the interactions* in the network. This view profoundly differs from the conceptualisation based on a rational perspective, where trust is the predictable and straightforward consequence of managerial decisions. From a relational perspective, trust is a consequential interactive projection of an emotional value or aspiration. Mouritsen and Thrane (2006) claim that it becomes a problem when such value or aspiration no longer exists in the network.

In sum: trust, we propose, is a consequence of the interactions in a network that constitutes the interfirm relationship. It is an emotional value or an aspiration that can be expressed and that is linked to an actor or to multiple actors; it can change when the actor is removed from the network, or when the identity of the actor changes.

2.3. Theory as a basis for the case study

Our study is anchored in a relational perspective linked with the theoretical notions regarding the contract-control-trust nexus as expressed in the previous subsections. It aims to further theorise on the performativity of the contract and control structures. It also aims to expose how contract and control structures are performative in the building, maintenance and destroying of trust, and how they are subject to change themselves.

3. Case setting and research methodology

This case study examines the interfirm transactional relationship between Semorg and Fasorg (pseudonyms). Semorg is a leading semiconductor manufacturing company founded by Lecorg (pseudonym) more than 50 years ago. Semorg is a multinational company, which has its headquarters in the Netherlands. In the Netherlands, its production facilities are located at two sites in different cities. Semorg produces semiconductors, system solutions and software which deliver better sensory experiences in TVs, set-top boxes, identification applications, mobile phones, cars and a wide range of other electronic devices.

Fasorg is an Anglo-Dutch organisation, which has specialist knowledge and experience in the provision of management solutions to facility services for both public and private sector clients. It was founded in 2002 and currently it has various multi-million euro ongoing contracts with international companies located in the Netherlands. Fasorg's first substantial contract was with Lecorg.

3.1. The facility management relationship

The facility management relationship comprises Fasorg, several departments of Semorg and the external suppliers of facility services. The focus of this research has been on the contracting relationship between Semorg and Fasorg. How the parties relate to each other is depicted in Fig. 1.

Within Semorg, a facility management department is responsible for the so-called 'building services'. The operational management of these building services is outsourced to Fasorg. Semorg concludes SLAs (service level agreements) with internal customers while Fasorg coordinates the delivery of the facility services to its internal customers by the various suppliers. However, not all management tasks of the facility services are outsourced. Some complex and very specific maintenance services for the semiconductor fabrication plants (commonly called 'fabs') are managed by a separate in-house facility department. This department also buys services from outside suppliers, but manages the delivery of the services itself. The managers of the facility management departments have a direct line of responsibility to Semorg's corporate level.

3.2. Changes in facility management at Semorg

The origins of the relationship between Semorg and Fasorg lie in a four year contract that was established between Lecorg and Fasorg at the beginning of 2006. When the contract was signed in 2006, Semorg was a business unit of Lecorg, but not one of the negotiating and contracting parties; the contract was concluded at Lecorg's corporate level. This corporate level was somewhat remote

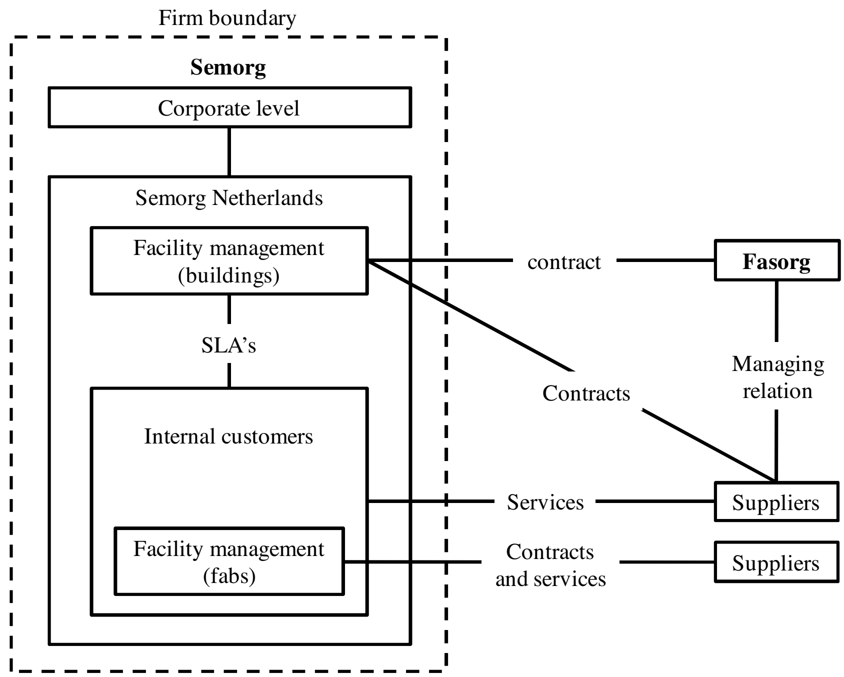

Fig. 1. The organisation of facility management at Semorg.

from the network through which the operations in the outsourcing relationship developed. In September 2006 Semorg was sold, and continued as an independent organisation. As a result of discontentment on the part of Semorg's facility managers about the contract, a new facility management director was employed who started a contract review. This review marks the beginning of our study into the relationship developments. At the beginning of 2010, the facility service department for the buildings (soft services) and that for 'fabs' (hard services, for example, machine maintenance) merged into one facility management unit. At the same time, some changes in key personnel occurred. Furthermore, in 2010, negotiations about extending the facility management contract took place.

This development is depicted in Fig. 2. Of particular relevance to the research aims in this paper is the period from 2006 to 2009. It is during this period that the original and the renewed contract played a role in the development of the relationship. Moreover, during this period trust became important.

3.3. *Research methodology*

The aims of the paper make field research the appropriate approach. In conducting this type of research, our study responds to recent calls for in-depth process studies of interfirm relationships (e.g. Caglio and Ditillo, 2008). Essentially, we consider field research to be a form of theorising (Ahrens and Chapman, 2006; Chua and Mahama, 2012). We anchor our theorising in prior literature on control and trust in interfirm relationships and in a relationalist paradigm. We make sense of an empirical research problem in theoretical terms without applying or summarising extant theory (Chua and Mahama, 2012). Therefore, we avoid a 'heavy theoretical frontload' (Vaivio, 2008). We aim to deliver a sensible and sensitive account of the field and not to 'wrap' a theoretical explanation around a description (Chua and Mahama, 2012). In other words, the presentation of our case is not a description, but a sense-making exercise.

The research started in 2008, when a first contact with Semorg's Real Estate and Facility manager at that time (in this case study labelled FM director-1) was made. There were three initial talks with him in 2008; the subsequent interviews started in 2009. The research encompasses the contract period from the beginning of 2006 until the end of the contract in 2010. The events of interest were examined both after they had taken place (ex post facto) and as they took place (real-time). Our aim was to study how the contract and the incorporated control structures came into being in the network we studied, and how they were performative. In particular, we aimed to study how the contract and incorporated control structures were associated with the building, maintenance and destroying of trust. The moment we arrived in the field, the organisations had just revised the contract, while the recontracting process and the reasons to enter in such a trajectory were still very much on the minds of the people we interviewed. Based on documents and interviews, we could reconstruct the contracting phase, and we had the opportunity to analyse how the contract and control structures had caused such unexpected performative effects in the network of associations.

The main sources of data were semi-structured interviews. The language during the interviews was English. The English language skills of the personnel were rather good, as the organisation operated internationally. The interviews were always conducted by two researchers with at least one native Dutch speaker. If the interviewee had difficulties expressing himself, he or she could always answer in Dutch. Therefore, we have no reason to believe that the interviewees disclosed less because of a language barrier.

Based on the initial discussions with FM director-1 we made a list of potential interviewees. From there we used a purposive sampling approach to select the organisational members from both organisations to interview. The interviewees were selected on the basis of their involvement in managing the facilities services. Fig. 3 depicts the hierarchical positions of the interviewees and their connections. The dotted lines represent the contacts at the different levels between the two organisations.

Given our theoretical anchors, the broad themes during the interviews included contracts and contracting, control structures and control practices, and (mis)trusting. For example, there were questions about the nature, purpose and role of the contracts and

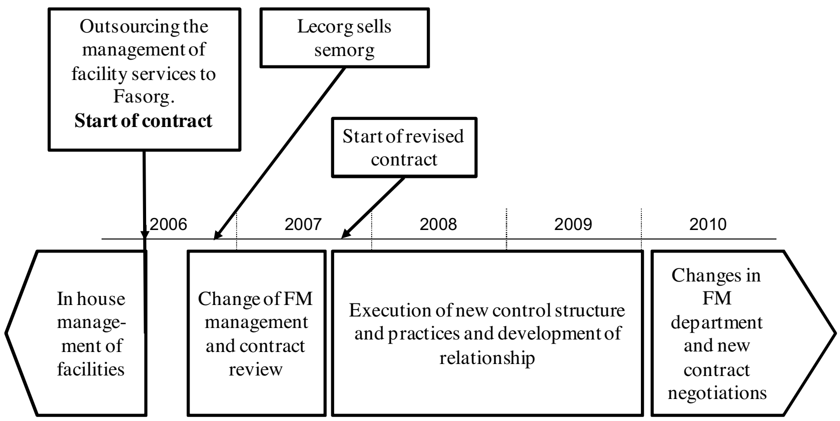

Fig. 2. Timeline of the relationship between Semorg and Fasorg.

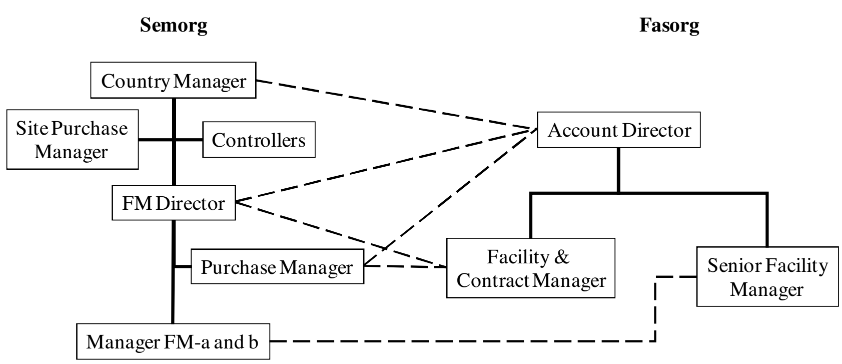

Fig. 3. Hierarchical positions of interviewees within Semorg and Fasorg and their connections.

control structures. Many questions were related to contracting and control practices. Yet, during the interviews some new and relevant issues and insights emerged which proved very useful in the process of theorising.

Most of the interviews took place at Semorg's plant. The duration of the interviews was between 1 and 1 1/2 h. on average. We conducted 23 interviews with 19 people (see Table 1). The first two preliminary interviews, in June and September 2008, were aimed at gaining access to the company. The conversations during these interviews were not recorded, but notes were made during the meetings. The additional 21 interviews were organised in two rounds during the period December 2008–November 2010. From the people we interviewed, 13 interviews were conducted with Semorg managers at different hierarchical levels and in different departments, such as Facilities Management, Purchasing, Finance & Accounting and Manufacturing. Moreover, four managers at Fasorg and two managers of two different suppliers of the facility services were interviewed. Two of the interviews were organised as general 'feedback meetings' between the research team and the key players at Semorg. During the first recorded general 'feedback meeting' all the authors of this paper participated in giving a formal introduction to the research objectives, plans and methods. In return, they

Table 1
Overview of interviews.

#	Date (yymmdd)	Organisation	Position	Duration (min)
1	080610[5]	Semorg	FM director[6]-1[7]	60
2	080929[8]	Semorg	FM director-1	70
		Semorg	Purchase Manager	
3	081208[9]	Semorg	FM director-1	75
4	090319	Semorg	FM director-1	134
5	090324	Semorg	Director FM-Fabs[10]	67
6	090330	Semorg	Purchase Manager	98
7	090330	Semorg	FM manager-a	59
8	090406	Fasorg	Account director-1	97
9	090409	Semorg	Country manager-1	63
10	090414	Semorg	Controller-a	16
11	090414	Semorg	Controller-a	90
			Controller-b	
12	090423	Semorg	Manager FM-Fabs	74
13	090429	Semorg	Site Purchasing Manager	92
14	090429	Semorg	FM manager-b	111
15	090916[11]	Semorg	FM director-1	117
		Semorg	Purchase Manager	
16	100618	Semorg	Purchase Manager	61
17	100721	Fasorg	Account director-2	63
18	100726	Fasorg	Senior facility manager	26
19	100726	Fasorg	Contract manager	58
20	100908	Semorg	FM director-2[12]	52
21	101014	Supplier	Manager maintenance	97
22	101026	Semorg	Country Manager-2	67
		Semorg	FM director-2	
23	101110	Supplier	District manager-a	96
		Supplier	District manager-b	

[5] First contact and discussion about research project (not recorded).
[6] This is the head of the facility management organisation.
[7] The addition 1 and 2 is used when during the case study the person for this position is replaced by another person. The addition a or b means that the interviewees are different persons with the same positions.
[8] Informative meeting (not recorded).
[9] Complete research team present.
[10] A Fab is a Semiconductor Fabrication Plant.
[11] Feedback meeting with complete research team.
[12] This was the old manager FM-Fabs (#12).

Table 2
Making sense of and theorising the case.

Phase	Sense making account of the case	Theorisation
1	The original contract—negotiating and decision making from a distance	The original contract does not mobilise actors to operate as intended. It is performative in the sense that it generates a recontracting process. There is no circulation of trust.
2	Contract review—the emergence of trust as a quasi-actor	The contract becomes performative in generating trust as a quasi-actor.
3	Further development of the relationship and the performativity of control structures	Control structures are performative in generating relational signals. Trust circulates in the network.

received useful information about Semorg's outsourcing strategy. In the second general meeting the results of the first round of interviews were presented and discussed. Along with the research team, the Facility Management (FM) Director and Purchase Manager participated in this meeting.

Other sources of information included service level agreements (SLAs), roadmap documents and quarterly reports (see Appendix A). The documents and interview transcripts were used to cross-check what was said during the interviews and what appeared in the documents.

The process of data analysis consisted of three concurrent flows of activity: data reduction, data display, and conclusion drawing/verification (Miles and Huberman, 1994). These three flows were interwoven before, during and after data collection in parallel form. Anchored in our theoretical notions, we started analysing from day one (Schwartz-Shea and Yanow, 2012). All the interviews were transcribed and, together with the documents, analysed using the qualitative data analysis software ATLAS.ti. This software helped in reducing the data and facilitated in rearranging the codes in categories, commenting on quotes and memoing emerging ideas.

4. Field study: development of a facility management relationship

The study focuses on three phases in the development of the relationship: (1) The original contract – negotiating and decision making from a distance; (2) Contract review – the emergence of trust as a quasi-actor; (3) Further development of the relationship and the performativity of control structures.

The following subsections are structured around these three phases (see Table 2). Although dividing a process in phases is an arbitrary endeavour, it is an attempt to deliver a sensible and sensitive account of the field. The study of the first phase offers insight into the performativity of the original contract. Since Semorg did not participate in the contracting process, the original contract was not successful in creating the desired order and predictability. Yet, its unexpected performance was that in interaction with human actors it induced a recontracting process. The study of the second phase offers an insight into the recontracting process resulting in a renewed contract. The study exposes how the recontracting process provided opportunities for trust to become a quasi-actor connected to the new contract and multiple (human) actors. We make sense of a third phase of the relationship by exposing how control structures are performative and how they change, and how trust as a quasi-actor relates to these control structures.

4.1. Phase 1: the original contract – negotiating and decision making from a distance

The first phase in the relationship is characterised by the writing and signing of the contract between Fasorg and Lecorg in May 2006, the sale of Semorg (the semi-conductor division of Lecorg) at the end of 2006, and problems with the functionality of the original contract.

It was Lecorg's strategy to outsource everything that was not considered to be core business. This strategy also entailed the decision to outsource facility management, resulting in a contract with Fasorg. When the first contract was established between Fasorg and Lecorg, the managers of Semorg were not happy with this contract. They knew Lecorg was planning to sell Semorg, and they thought this would bring too much change at one time.

> *In 2006 Lecorg said it was a good idea that we would outsource the operational part of facility management. I say it specifically like that because none of us were very enthusiastic about that. We all knew that something was going to happen with Semorg, that they were going to sell it (#6, Purchase manager, Semorg).*

The general feeling was that Lecorg should have left the decision to outsource to Semorg's management. In the aftermath of the signing of the contract between Lecorg and Fasorg there was much resistance to the outsourcing project. According to the Semorg director FM-Fabs (#5) they already had a bad experience with the outsourcing of the facility management of a Lecorg plant in the Czech Republic. As a result, Fasorg's account director did not receive any support from Semorg's facility managers. This lack of support was partially related to the transformation of the facility manager's role into that of a demand manager. The new role required giving up control to Fasorg. Since the Facility Managers did not like this change they were not willing to cooperate.

Nevertheless, Semorg's facility manager had to deal with Fasorg on a day-to-day basis. As the next quote suggests, the managers at Semorg were quite demanding and not very cooperative.

> *Okay Fasorg you are now in control, you are managing this. I want this, this and this. And these were all kinds of elements that he himself had never been able to do (#4, FM director-1, Semorg).*

Semorg was not very cooperative, and this was related to the delegation of many responsibilities to Fasorg.

Incorporated in the contract were control structures such as a set of Key Performance Indicators (KPIs) and incentives for savings. However, the human actors involved in operations did not think the contract provided much clarity in what was to be achieved and by who. As a facility manager of Semorg said:

> *I guess it was not clear for everybody what should be reached, who should do it and who was responsible for which actions (#7, Manager FM-a, Semorg).*

Moreover, Fasorg perceived some clauses in the contract to be unfair. For example, if Fasorg would manage to realise savings, these savings were to be split: 80% of those savings would benefit Semorg and only 20% would benefit Fasorg.

The contract and incorporated control structures were not a source of stability and predictability. Instead of stabilising the relationship the contract became a source of instability, because it generated several debates and conflicts. FM director-1 explained some problems related to the contract:

> *It [the outsourcing contract] was pushed from Lecorg corporate, but there was no euh it was not defined what was expected. Semorg at that time was not able to define what to expect from the supplier and what the focus was (#4, FM director-1, Semorg).*

> *And in a conflict we could say okay we take another look at the contract. That is what I did a few months ago, because we had a discussion about what is a saving. You can have a long discussion about what is a saving. Is it a cost reduction or is it just reducing the workload? For example, closing a building, is that a saving, or*

if you let your employees pay for the coffee, is that a saving for Semorg? No that is not a saving, that is a change of service level and not a saving. We had a very long discussion about this (#4, FM director-1, Semorg)

Apparently, as mentioned earlier, the original contract did not provide clear answers, rather it generated discussion and debate.

There was also a lack of commitment and trust in the relationship, mainly due to managers' discontent with Lecorg's senior management's decision to outsource the management of the facility services. It was not *their* decision to outsource, they had not participated in the contracting process and they experienced the start of the relationship as a struggle.

We weren't there when this contract was signed. We did not have a lot of influence on how the contract was negotiated (#6, Purchase manager, Semorg).

In 9 out of 10 cases it is a management decision on the highest level. Most of the time above my level and in the case of Fasorg back then everybody in our division was against it, including the managing director. I was against it, but this was the philosophy of Lecorg at large, so this happened (#5, Director FM-fabs, Semorg).

Fasorg experienced that the facility department of Semorg was not supporting the outsourcing decision.

It was not supported by the Facility Manager then. [. . .] They did not believe it was the right time to also outsource immediately the support of buildings and labs. But management decided to outsource anyway (#8, Account director-1, Fasorg).

So, although there was an explicit contract, the parties displayed a lack of commitment and trust. The original contracting party, Lecorg, thought that they had adequately coped with interests and coordination issues, but they failed to do so in the eyes of the human actors that were implicated in the operations. Semorg did not participate in selection and negotiation process that brought Lecorg and Fasorg together. Semorg-managers did not feel committed to the day-to-day activities. The human actors did not assign trusting properties to the contract and incorporated control structures; the contract did not mobilise towards the order and stability the original contractors aimed for. The contract and incorporated control structures were not performative in the sense that they produced trust. On the contrary, the contract induced conflicts with regard to the assignment of responsibilities, accountability issues and incentivising. The contract in interaction with disgruntled managers drifted the relationship towards a non-cooperative relationship. As one of the managers said:

You are building a house on a fundament, the contract. If the fundament is wrong don't start building a house, that's what we have learned: don't do that" (#6, Purchase manager, Semorg).

Exiting the relationship was not an option to Semorg's top management. The original contract period was four years, and breaking the contract would have damaging legal consequences. Moreover, the basic reasons underlying the original decision made by Lecorg to outsource, which were to improve flexibility and (above all) to reduce costs were endorsed by Semorg's top management. Competition in the semiconductor industry was severe and a yearly decrease in cost was a necessary condition for survival. Although not all of Semorg's managers were convinced that cost savings would be realised within this alliance, they also felt that abandoning the relationship would not be a wise decision.

In sum, the contract and the incorporated control structures were not a straightforward and unproblematic solution for pre-existing potential problems in the relationship. In interaction with the actors in the network of associations that had to make up the operations they did not perform as intended. Moreover, they were definitely not performative in the sense that they produced trust as a quasi-actor; other actors did not assign properties of trust to the contract and control structures. On the contrary, the contract and incorporated control structures interactively produced instability and unpredictability. However, the contract was performative in the sense that it generated the start of an early recontracting process. This unexpected consequence of the original contract resulted from the legal and economic consequences of a potential exit from the relationship for Semorg. These consequences were simply too harmful. In order to make the best out of the relationship with Fasorg, Semorg had to renegotiate the contract with Fasorg. So, the existence of a contract and the lack of cooperative interactions between the multiple actors made Semorg's top management enter into a recontracting process. This recontracting process is addressed in Section 4.2.

4.2. Phase 2: contract review – the emergence of trust as a quasi-actor

In 2007, Semorg and Fasorg started renegotiating the contract and they came closer to each other. A new contract was signed in July 2007 and became effective in September 2007.

During the first month of 2007 a new demand manager at Semorg was appointed and we tried to make a new contract and we signed it on the first of July and that was for both sites of Semorg (#8, Account director-1, Fasorg).

Fasorg launched a press release about its new contract with Semorg which stated that Fasorg had been selected to perform all facility management services for Semorg Semiconductors for at least three years. It also mentioned that the facility managers of Semorg already joined Fasorg in 2006 and that the contract is a continuation of the activities that Fasorg already performed for Lecorg (Doc #4, 0709).

A potential misinterpretation of this press release is that Semorg chose Fasorg after a tender. However, an FM manager commented as follows:

The (original) contract was signed for four years. When I started here, we started to rewrite the contract. The period stood, but we changed some details of it [. . .] we brought some nuances in it to help us to cooperate, to work together to one, uh. . . one goal (#7, Manager FM-a, Semorg).

The recontracting process was considered to be constitutive of the development of the relationship. One Semorg-manager explained:

They needed to revise the contract, because the contract is material in how organisations interact and behave (#6, Purchase manager, Semorg).

When we asked whether the relationship could have improved without a new contract, another manager answered:

Could be. . . but finally under the line, if you add everything up, the contract determines the interaction and the business way of working between two companies. That's the formalised way of how you should work. In practice, of course most of the time the contract remains in the cupboard. And you go in your everyday working (#5, Director FM-fabs, Semorg).

According to this manager, although a contract is in itself an artefact, it is not a dead thing. It indeed mediates in interaction with other actors. It is far more than a distanced solution for divergence in interests; far more than a safeguard against potential opportunistic behaviour. Apparently, the human actors (managers) were in need of sharing things.

> *So what we did in 2007, we had a review, a contract review with the management over here where we said we need to share things; we need to share our thoughts about the contract and the results of the contract. We were very much in agreement, and what we did is based on that review. We established a new contract. Despite the fact that the [old] contract was still valid, both parties agreed to enter a recontracting process (#6, Purchase manager, Semorg)*

Through interactions in the recontracting process the parties sought to improve the partnership. The contract thus was an important actor in the relationship.

A hurdle in the new relationship was Semorg's FM director who had difficulties in changing his role from a facility manager to a demand manager. As a demand manager he only had a coordinating role. He is an intermediary between the demands of the internal departments of Semorg and Fasorg. In order to improve the situation, Semorg's top management decided to appoint a new FM director. At the same time a new country manager was appointed; they both contributed to a revitalisation of the relationship. These new appointments were considered important for the development of the relationship; it was a clear and purposeful sign (in terms of Lindenberg (2000) a relational signal) to Fasorg that Semorg was committed to the relationship and trusted Fasorg.

The new FM director was thought to be the right person for the job. He was someone who believed in the idea of outsourcing the management of facility services and who was clearly committed to the demand management function. He wanted to build a partnership based on mutual respect and trust. The following quote expresses his cooperative attitude and demonstrates how he relationally signals such attitude.

> *We have a mutual agreement, from both sides we agree on this. It is not that we say, okay we want to have 500.000 euro savings, just go! No. You need to do this in a partnership. Because they come up with ideas and it is easy to say that it is a bad idea. No, we both have the responsibility for getting the right saving, define the right saving opportunities (#4, FM director-1, Semorg).*

The contract review was done by local management. Through rich interactions shared values and ambitions were built and ownership of the relationship was achieved. Thus, the contract became an actor to which trust was assigned. This is not to say that the functional alignment of interests did not play any further role. It did.

> *In 2007 we renegotiated our contract and in the contract we have both incentives and penalties because Fasorg has to bring the costs down over a period of two years. If they can't realise us cost savings, they have to pay a penalty. If they do more, then they will share in the additional cost savings. That is a kind of incentive penalty system (#9, Country manager-1, Semorg).*

> *We changed it into a partnership. We wanted this from both sides, but we needed to come up with the right incentives to achieve the savings (#4, FM director-1, Semorg).*

Also a Fasorg manager acknowledged that trust was built during contract negotiations:

> *After the contract review we saw a lot more trust, a lot more working together. For example, in my team there is somebody who is responsible for savings, but we also have an Semorg partner who is responsible for savings and they are working closely together (#8, Account director-1, Fasorg).*

So, the contract became a significant actor in the relationship. In the process of reshaping, it interactively produced trust as a quasi-actor and it became constitutive of the relationship. It interactively mobilised human actors to cooperate in a partnership. According to the parties involved, it also produced a proper alignment of interests, but this was embedded in the network of associations and it was not separable from the process of trust building. Of great significance was the interaction between the contract and some newly appointed directors.

4.3. Phase 3: further development of the relationship and the performativity of control structures

After the recontracting period a third phase may be distinguished in which, against the background of the renewed contract, facilities management was practiced through day-to-day interaction. Both Semorg and Fasorg aimed to further build a relationship on the basis of the renegotiated contract. The contract was assigned trust and parties felt committed to the relationship. However, actors were aware that the relationship was still young and fragile. To a large extent, the recontracting was done by Semorg's FM director-1 and Fasorg's account director-1. Fasorg's account director thought it important to show an understanding of the clients' needs and to demonstrate the capability to translate these needs into concrete plans. For example, Fasorg made a business plan which matched Semorg's business plan. This demonstrates that both organisations were on the same page.

> *You have to prove that you are willing to do what they expect [. . .] so what we have done: for example for this year we made a year plan, a business plan, and we challenged it with the business plan from Semorg and that was similar for 80–85%. So that means that we understand what they want and we have the capabilities to do what they want (#8, Account director-1, Fasorg).*

The business cases were signalling Fasorg's competence and an understanding of each other's needs. Fasorg was also willing to help when the economic recession in 2008 severely hit Semorg. Reorganisations took place and Semorg employees were fired. Semorg tried to transfer one of the project managers to Fasorg. Fasorg agreed and, in addition, helped Semorg by taking over activities that they could not handle because of a necessary decline in the capacity of the demand management organisation.

> *Their demand management organisation is getting smaller and smaller and they said we can't do it because we don't have any capacity. Can you take over? Yeah we can take over but we will make a list. So we make a list of activities that we take over and sometimes we said there is no problem and sometimes we said ok, but you have to pay for it. So we are prepared to help, but we also negotiate, working together on the relationship and take over then new activities (#8, Account director-1, Fasorg)*

By showing their willingness to take over and to open up the possibility that this would not entail additional funding, Fasorg signalled to Semorg that they valued the continuance of the relationship. From a rational perspective, this may be viewed as an attempt to build thick trust in the relationship. Against the background of their long-term interests Fasorg's account-director rationally signalled a willingness and capability to help without wanting an immediate contra-performance for such help. Fasorg signalled trustworthiness; they aimed to have trust assigned to them so that the relationship could really evolve into a partnership. Trust more and more circulated in the relationship.

> *I gave you the example how the relationship moved from a paper contract and a top-down initiative to a more cooperative relationship, where on the way trust was being restored (#13, Site Purchasing Manager, Semorg).*

The discussions were open and the interactions gradually led to the shared setting up of 'savings projects'. Both parties were strongly motivated to participate in these projects. They also changed the structure of the work meetings that were part of the control structures, a change that both parties experienced as positive. At first they had a one hour meeting once a week. These meetings were often too short to adequately solve the problems they faced. The new meeting structure had a lower frequency (once a month), but took a full afternoon.

> *We have done this now for two months, actually I am quite happy with it. Because then you find the time, to go, a full afternoon, very deeply into the service, into the operation and have time to discuss real issues. In the old structure, often the whole hour was spent on operational issues and you never came to the real problems behind these issues (#4, FM director-1, Semorg).*

After the contractual renegotiations the discussions with Fasorg about the control practices continued in a cooperative atmosphere. The interactively developed control structures included an incentive-penalty system, a performance management system with Key Performance Indicators (KPIs), monthly and quarterly reports and meetings.

As shown in Table 3, the control structures included several KPIs that covered three performance areas: Fasorg's performance, client satisfaction and quality of suppliers (see Appendix B for an example). The monthly review meetings and the KPIs were important control structures for governing day to day operations in the relationship. In a cooperative way, new KPIs were developed. In turn, the meeting structures and the KPIs mobilised actors to transform the relationship into a partnership and to further assign trust to each other.

> *On a quarterly basis they report us directly what their performance is. [. . .] We call this [laughter] our 'feet-on-the-table-session'. What's your feeling? What is your problem? You have a problem with me? What is the problem? Let's discuss this. Just working on the relation (#4, FM director-1, Semorg).*

The KPIs were not designed and implemented from a distance, but were interactively shaped by actors in the relational network. The KPIs generated debates and discussions. Conflicts arose when managers started to doubt the representational qualities of the KPIs. As a consequence, KPIs were changed. The purchase manager describes how KPIs were performative in the associations of the network:

> *Because if these KPIs are wrong, then formally you discuss them on the management level or a review level. You start talking about KPIs, people start complaining and it affects the operations. Operations people say well we do a good job, management says no you don't because your KPIs are not good, so at some point it must frustrate the operation. So you are forced to change that (#6, Purchase manager, Semorg)*

Discussions and debates concerning performance measures improved the trust the actors assigned to each other. Semorg's FM manager-a was convinced that Fasorg would produce the numbers and figures with integrity.

> *Despite problems and possible potential improvements you have to see this as a kind of a partnership. It's a long term relationship; you step in and if you don't want to do that, don't start with it at all. Fasorg should not aim for the quick win and neither should Semorg. You should have a goal for the long term and if you start with this manipulations or fraud, then you can never trust each other again (#7, FM manager-a, Semorg)*

Table 3
Control structures.

Contract & Service level agreements and yearly target savings
Performance Management System (PMS) with Key Performance Indicators (KPIs)
Incentive-Penalty system (Gain sharing system)
Monthly Review meeting (strategy, savings & control, operations, finance)
Open book system
Quarterly report

One FM manager described the state of the relationship as 'acting as one department'. This was reflected during the monthly meetings where control structures were discussed to which also the senior managers assigned trust. Both the country manager and the FM director experienced the monthly meetings as a beneficial mutual investment. Every month the parties discussed how to achieve the agreed cost savings. These discussions became integral to the monthly meetings.

> *There is a very open discussion. Every month FM director-1 is doing that with Fasorg. How much help do you need with the projects? So the discussion is how we can achieve all these cost savings together (#9, Country manager-1, Semorg).*

The control structures also mobilised Fasorg's account director-1. The structures encouraged him to improve his work on a daily basis.

> *What we are doing here, what I will do here every day is better than the day before. For example when we started at the first day at the campus almost two years ago, Semorg said that we might score a four. Now they give us an eight. (Researcher: They are satisfied?) They are more than satisfied (#8, Account director-1, Fasorg).*

Fasorg's performance was measured through a performance measurement system that was based on an open book. Semorg's managers had open access to the books. Fasorg's account director explains how they were creating transparency for Semorg and how such a visibility of numbers constituted trust in the network of the actors in the interfirm relationship:

> *The purchase manager from Semorg had a feeling that the open book system was a black box and something was going in and something was going out, but (he did not know) what was going on in the black box. I said come with me I would invite some people from my company (from finance, from performance and from compliance) and they can give you a complete overview of the black box. For instance, what is in it? How are figures matched with each other? We had a session of 2 h and he was completely happy, yeah. Because it is open it is completely transparent. It is their money and we have to carry it (#8, Account director-1, Fasorg)*

At the other Semorg site in the Netherlands the FM-manager expressed a similar interpretation of the cooperation with Fasorg. At this site there were only offices and no fabs, and Fasorg managed all the facilities services. The local FM-manager had to get used to the new ways of working but he did not experience any problems:

> *I think we changed. . . uh. . . I changed into a demand manager and they do the operations and they do it very good. We now have a one-to-one organisation (#14, FM manager-b, Semorg).*

As this phase reveals, the control structures mediated in the constitution of a partnership and in the generation of positive expectations about the further development of the relationship. They also mediated in the further circulation of trust. Rather than being static and instrumental to the alignment of interests and the mitigation of risks, the control structures transformed themselves and the relationship into one of a partnership. The reviews (particularly the monthly meetings) and KPIs were performative in the sense that they influenced the development of the partner relationship.[4]

5. Discussion

Contracts and incorporated control structures are artefacts that may be designed and negotiated in isolation from the organisation's day-to-day activities. This was especially the case in the relationship between Fasorg and Semorg, where the original contract was designed and negotiated at a large distance. It was negotiated between top managers of Fasorg and Lecorg, the latter being the prior 'mother' of Semorg. The Semorg managers, who were involved in the day-to-day operations and activities, did not participate in the prior negotiations. To the distanced managers of Lecorg the contract reflected their wishes regarding the interfirm relationship, aligned the interests of the parties involved and provided solutions to potential coordination problems. However, to the human actors who were involved in day-to-day activities, the contract and its incorporated control structures were not a solution. Especially in the beginning, the contract did not in any way describe their intentions and their ways of doing. Therefore, these actors did not perceive the contract as an enabler, and certainly did not accept it as a prescriptor of their intentions and actions. In fact, the contract did not mobilise them; the human actors did not assign trust to the contract. What happened was that the contract did perform, but in rather unexpected ways. Its mere existence forced the managers to make the relationship work. An instant exit would cause a number of harmful legal consequences, and thus exiting simply was not an option. However, recontracting was. So the original contract proved performative in the sense that the parties felt it was necessary to enter into a recontracting process. The recontracting process yielded an adapted contract, which created the basis for an actor-network to which properties of trust were assigned and in which the relationship developed. Now, trust became a quasi-actor attached to the actor-network of the contract.

In the course of the relationship, new control structures (amongst them meeting structures) developed interactively and became constitutive of the trusting relationship. Controls, such as incentive-penalty systems, KPIs, open book systems and monthly and quarterly reports, became part of the relational network through discussions and a reciprocal understanding of the tasks at hand. Instead of being designed and implemented at a distance, the KPIs were shaped in the relationship. They became mediators in generating a specific understanding of the relational network. Particularly, they mediated in the development of a trusting and collaborative relationship.

The relational perspective we took in our paper goes beyond a mere *interpretive* research approach. We did not aim to show how, at the level of the interfirm relationship, the contract and control structures were objectified through discussing or debating the ideas and interpretations of multiple human actors, as is the main focus in interpretive research. Our emphasis was not on how the contract and the control structures subjectively emerged and were then objectified through interactions (Chua, 1986). Although touching upon how the contract and the control structures were shaped, the study was focused on how these entities perform in and change the interfirm relationship, and on how they are constitutive of this relationship. More specifically, through following the multiple footsteps of the contract and the control structures we wanted to *make sense* (Chua and Mahama, 2012) of the contract-control-trust nexus in that relationship. Our methodology was reflexive rather than interpretive (see Hassard and Cox, 2013). We reflected on the contract-control-trust nexus by making sense of the *interactions* among the actors in the field. These actors were both humans and non-humans. The contract and control structures are not considered to be subordinate to human beings: the humans are not *a priori*, but are pulled to a symmetrical level. That is, the contracts and control structures are not only created by human actors, but the latter are also mobilised by these entities in certain directions. They mediate in the development of the interfirm relationship. This is consistent with the notion of symmetry as developed by Latour (Latour, 2005, 1986). In complex interactions both human actors and non-humans have agency; they have an interactive capacity to perform. However, whereas humans may intend to act rationally, non-humans cannot. It is therefore important to note that our relational perspective does not exclude this human rationality. Yet, from a relational perspective, rationality of humans is not an inherent and prior characteristic of individuals, but an achievement realised by the interactions between humans and non-humans. For example, the top managers of Semorg and Fasorg purposefully redesigned and renegotiated the original contract. Given network developments Semorg managers purposefully opted for the appointment of a new cooperative manager; new incentives in the contract were intentionally chosen. All these designs and rational decisions, however, were network effects. They were not isolated from the interactions in the network and were certainly not isolated from trust. Interactions in the network resulted in the assignment of trust to the new cooperative manager of Semorg, particularly during the recontracting process. During the process of recontracting trust was also assigned to the contract.

In our relational study, trust is a consequence rather than an ex ante category. Trust results from the assignment of properties of trust to actors, after which it becomes a quasi-actor that operates in the network as long as the actors with the properties assigned to them remain active in the network. It is not something that can be decided upon in isolation; it is not a matter of simply selecting pre-existing categories of trust (for example contractual trust, competence trust or goodwill trust) followed by a straightforward implementation of the selected categories. From a relational perspective, trust fluidly circulates in the relationship, while it is generally neither programmable nor predictable. If the identity of the actor to which (dis)trusting properties are assigned changes, or if the actor leaves or is removed from the network, trust also changes. Of course, trust is an important aspiration and its absence is problematic (Mouritsen and Thrane, 2006). Responsible managers may therefore rationally respond to such a development by changing the identity of the actors (for example the contract), or by introducing new actors (cooperative managers at important positions) in the network.

Our study has conceptual relevance to practitioners (Van der Meer-Kooistra and Vosselman, 2012). Rather than producing instrumental knowledge about means-end relationships, it yields enactive knowledge (Chua and Mahama, 2012). This knowledge enables practitioners to modify the understanding of the decision situation they find themselves in at a particular moment in time. Specifically, it provides them with the insight that control and trust are network effects rather than consequences of isolated rational decisions. Therefore, instead of concentrating on the individual actors, responsible managers might, as a result, focus on associations and interactions. They might shift their attention from controlling individuals to trying to regulate the networks of associations. Once having acknowledged that there are numerous non-programmable and unexpected effects, practitioners might strive to create situations in which they can rationally respond to the network circulations. In this context, they might want to influence the performativity of controls rather than their functionality.

[4] At the end of the contracting period a new contract had to be negotiated again and resulted in a new contract for three years.

6. Conclusion

From a relational perspective, control and trust are not the results of the isolated rational decisions made by farsighted actors, facing well-defined categories of problems (as for instance coordination problems and appropriation concerns) by means of well-defined and perfectly suitable building blocks of solutions (for example monitoring devices, benchmarking, incentives and penalties etcetera). They do not close down, but open up. They do not produce (thin) trust, but provide an opportunity to other actors to assign trust to them. Contracts and control structures align interests and serve as instruments for coping with appropriation concerns. Their coping capabilities, however, manifest themselves as network effects, and they are not the automatic consequence of individual farsightedness (Williamson, 2002, 1985). Contracts and control structures are actors rather than instruments. They have agency of their own; they have the capacity to interact with other actors and to perform. Trust is, however, a quasi-actor. It is not the straightforward result of decision making, for example about contracts (contractual trust), or on decisions concerning relational signalling (leading to goodwill trust or thick trust), but of an interactive assignment of trust properties to actors. The contract-control-trust nexus is not embedded in the instrumental relations among human actors with a priori characteristics, but is both generated by and constitutive of the associations between actors. And these associations can produce complex interactions with unprogrammable and unpredictable outcomes.

Future studies may provide deeper insights into the performativity of contracts, control structures and accounting in networks of organisations. Whereas this study addresses such performativity in an interfirm relationship between an outsourcer and an outsourcee, future studies may also address longer supply chains and larger networks of organisations. In general, a further development of a relational theory of accounting and control may provide relevant conceptual knowledge that goes beyond traditional intended functionalities in terms of decision support and decision control.

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Appendix A. Document sources

#	Date (yymm)	Name	Description
1	0501	SLA 2005	SLA between Lecorg and internal facility management department of Lecorg
2	0609	Dutch norms (NEN)	Dutch standards document for suppliers: Condition assessment of building and installations components—Part 1: Methodology.
3	0705	SLA 2007	SLA between Semorg Real Estate & Facility Services and internal customers.
4	0709	Press release	Press release about new contract with Fasorg (PR Newswire)
5	0804	Presentation: Outsourcing FM	A PowerPoint presentation of the FM director of Semorg he did during a seminar for colleagues.
6	0806	Dutch norms (NEN)	Dutch standards document for suppliers: Condition assessment of building and installations components—Part 2: Lists of faults.
7	0812	SLA 2009	SLA between Semorg Real Estate & Facility Management and Fasorg.
8	0901	Fabs Management Team	Organisational chart of the management team of the Fabs division of Semorg.
9	0902	(T)FM Roadmap 2009	Complete strategic plan of relationship between Semorg and Fasorg
10	0903	Job description demand manager	Job description of a demand manager at Semorg
11	0904	Primary process FM	PowerPoint presentation of Fasorg about FM primary process improvements
12	0904	Quarterly report	Quarterly report, prepared by Fasorg to evaluate performance
13	0905	Fabs services	Organisational chart of the service departments of the Fabs division.
14	1010	Management report	Evaluation report of the month September by one of Semorg's biggest suppliers
15	1106	Press release contract	Press release new contract (www.facility-info.com)
16	1203	Case study Semorg semi-conductors	Description of Fasorg on their website of their contract with Semorg

Appendix B. Key Performance Indicators (KPIs)

KPI A: Performance of Fasorg

A1: Response time service desk: Response times of telephone conversations (record % within 90 s) and emails (respond to % within an hour).
A2: Quality of Service Desk: The supervisor of the service desk monitors several conversations and requests (self-audit).
A3: Projects: The completion of projects (in %) conform time planning as well as the percentage (%) of projects completed within budget are measured in this KPI.
A4: Complaints:

- *Response to complaint within 2 work days.*
- *Render corrective action plan (CAP) within 5 workdays.*
- *Resolve complaint with client within agreed-on terms of solution.*

A5: Finances: Discrepancy between commitment (estimate costs) and actuals is less than 7% (real costs) based on work orders (non-core).
A6: Savings: The status of saving in projects in relation to expected time span.

KPI B: Customer Satisfaction

B1: Project Satisfaction: Satisfaction with the completion of projects as per agreement.
B2: Satisfaction Business Unit Managers: Satisfaction of the most important site clients.
B3: Satisfaction Demand Team: Satisfaction of the site demand managers.

KPI C: Quality of Supplier

C1: Response Time Suppliers: Response times of key suppliers to reports/orders from the service desk (is the complaint/disturbance being dealt within agreed-on time?).
C2: Safety Health & Environment (SHE) compliance: Do the key suppliers fulfil the required demands on regarding SHE? This shall be measured by means of self-audits by suppliers.
C3: Quality of service/Provision of services: Quality of the delivered services by key suppliers shall be measured by suppliers by means of self-audits.
C4: Purchase evaluation: Semi-annual evaluation of key suppliers by purchase and facility managers.

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